

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

UNSTARRED QUESTION NO:1951

ANSWERED ON:28.11.2016

Delay in Awarding Hydrocarbon Fields

Dhotre Shri Sanjay Shamrao;Mahtab Shri Bhartruhari;Shewale Shri Rahul Ramesh;Singh Shri Satya Pal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) whether there have been delays in the process of awarding Ratna and R-Series Hydrocarbon Fields to Oil and Natural Gas Corporation Limited (ONGC);
- (B) if so, the details thereof and the reasons therefor along with the losse incurred by the Government from such delay in terms of rupee and domestic production;
- (c) whether the Government has conducted any enquiry to fix the responsibility for the delay in awarding the said fields and if so, the details and outcome thereof; and
- (d) the other corrective steps taken/being taken by the Government to avoid such delays and to punish the responsible officials?

Answer

MINISTER OF STATE (I/C) IN THE MINISTRY OF PETROLEUM & NATURAL GAS
(SHRI DHARMENDRA PRADHAN)

(a) & b.): In the wake of the policy of economic liberalization introduced in the year 1991, Government took certain initiatives to attract private investment capital in the upstream oil sector to augment the production of oil and gas in the country. Government offered Ratna & R – Series Hydrocarbon Fields for development under Second Bidding Round of Small & Medium Sized Discovered Fields in 1993. Following invitation of bids by the Government, a consortium comprising of Essar Oil Limited (EOL) and Premier Oil Pacific Limited (POL) was the successful bidder for these Fields. A letter of award dated 12.3.1996 was issued to the consortium of successful bidders i.e. consortium of EOL-POL, subject to certain stipulations. Government authorized Negotiating Team of Secretaries (NTS) for concluding the contracts after negotiations. NTS held several meetings and deliberated on several issues related to the contract. However, the Production Sharing Contract (PSC) for Ratna & R – Series Fields could not be signed between the Parties due to various reasons. Subsequently, on 10th March 2016, Government approved the cancellation of the award letter dated 12.3.1996 issued in favour of the consortium of M/s. Essar Oil Limited and M/s Premier Oil Pacific UK Ltd. and reverted the Ratna & R Series fields to ONGC, subject to payment of cess and royalty at the current rates, as applicable under the nomination regime. No crude oil/ natural gas has been produced from these fields after fields were offered for bids and hydrocarbon reserves from the field would still be in place. With the present decision the cess and royalty would be realized at the current rates applicable under the nomination regime.

(c) & (d.): The Negotiating Team of Secretaries (NTS) could not conclude this contact because of the peculiar nature of issues which arose during the negotiation. The Government has not conducted any inquiry in this matter. ONGC has already started the process of development of these fields.
